

Schedule 3.1(m)
Existing City Rates

See Ordinance No. 2011-027 attached

,

ORIGINAL
STAMPED IN RED

ORDINANCE NO.: 2011-027

Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, Sec. 23-143 Water service rates and Sec. 23-149 Sewer service rates, (a) Generally and (b) Consumers using water cooling towers for air conditioning

BE IT ORDAINED by the Mayor and Council this 21st day of June, 2011, that the 1998 Code of Ordinances of The City of Columbia, South Carolina, Chapter 23, Utilities and Engineering, Article V, Water and Sewer Rates, and Sec. 23-149 Sewer service rates, (a), Generally and (b) Consumers using water cooling towers for air conditioning are amended to read as follows:

Sec. 23-143. Water service rates.

Generally. Except as otherwise provided by contract, monthly water service charges shall be as follows:

Monthly Water Use (cubic feet)	Meter Size (inches)	In City	Out of City
Minimum----300	5/8"	5.84	9.45
	1"	9.74	15.76
	1 1/2"	13.66	22.08
	2"	21.42	34.66
	3"	37.03	59.90
	4"	68.20	110.30
	6"	146.16	236.40
	8"	196.25	317.43
	10"	463.79	750.16
	Additional charge per 100 cubic feet		

Volumetric Charges are based on the customer category

Monthly Water Use (cubic feet)	In City	Out of City
<i>Residential</i>		
Next 9,700	1.83	2.97
Next 90,000	1.71	2.77
Over 100,000	1.63	2.65
<i>Irrigation</i>		
Next 9,700	2.97	4.80
Next 90,000	2.77	4.49
Over 100,000	2.65	4.27
<i>All others</i>		
Next 9,700	1.74	2.84
Next 90,000	1.63	2.65
Over 100,000	1.55	2.51

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Sec. 23-149. Sewer service rates.

(a) Generally. Except as otherwise provided by contract, the monthly sewer service charge shall be as follows:

Monthly Water Use (cubic feet)	Monthly Sewer Service Charge	
	In City	Out of City
Base	5.17	9.28
Each additional 100 cubic feet	2.73	4.91

(b) Consumers using water cooling towers for air conditioning. Consumers using water cooling towers for air conditioning systems shall be given a credit of 30 cubic feet per ton per month during the service periods commencing in the months of April through October. The minimum charge shall be:

Size of Meter (inches)	In City	Out of City
5/8	9.73	12.37
1	13.72	18.11
1-1/2	17.70	23.85
2	25.66	35.31
3	41.59	58.25
4	73.44	104.13
6	153.06	218.84
8	216.75	310.60
10	477.50	686.26

This ordinance is effective as of July 1, 2011.

Requested by:

Utilities and Engineering

Approved by:



City Manager

Approved as to form:



City Attorney

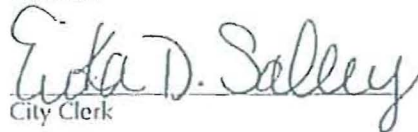
Public Hearing: 5/17/2011

Introduced: 6/7/2011

Final Reading: 6/21/2011

MAYOR

ATTEST:



City Clerk

Schedule 3.1(n)
Commitments

None

Schedule 5.1(a)
Additional Due Diligence Items

1. Billing register review.
2. Developer contracts assigned; need to review contracts and assess / calculate financial obligations.
3. Asset inspection – lift stations, manholes; possible line inspections.
4. Evaluate impact on Purchased Area of DHEC and EPA obligations.
5. Further investigation for items / issues uncovered during due diligence.

Schedule 5.1(g)
Customer Accounts

To be provided within 60 days of the date of this agreement.

Schedule 11.2
EPA Obligations

The Buyer may be subject to requirements in accordance with the Consent Decree currently in negotiations between the City and the EPA. Below is a list of items that have been seen in similar Consent Decrees that the Buyer may be subject to providing to the EPA.

1. Sewer Overflow Response Plan (SORP)
 2. Contingency and Emergency Response Plan (CERP)
 3. Wastewater Collection and Transmission System (WCTS) Training Program
 4. Information Management System Program (IMS)
 5. Capacity Assurance Program (CAP)
 6. Sewer Mapping Program
 7. FOG Program
 8. Transmission System O&M Program (TSOMP)
 9. Gravity Sewer System O&M Program (GSOMP)
 10. Financial Analysis Program
 11. Satellite Sewer System Agreements
 12. Continuing Sewer Assessment Program (CSAP)
 13. Infrastructure Rehabilitation Program (IRP)
 14. IR Report for the WCTS
 15. Sewer System Hydraulic Model
 16. Quarterly and Annual reports
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Exhibit "E"

Palmetto Utilities, Inc. Consent

**CONSENT TO ESTABLISHMENT OF SEWER SERVICE AREA
AND ACKNOWLEDGMENT OF PALMETTO UTILITIES, INC.**

Palmetto Utilities, Inc., by and through its undersigned duly authorized officer, hereby **consents** to the establishment of a public utility sewer service area in the unincorporated area of Richland County, South Carolina, for Palmetto of Richland County LLC, in furtherance of that certain Asset Purchase Agreement by and between the City of Columbia and Palmetto of Richland County LLC dated June 6, 2012, same to be filed with the Public Service Commission of South Carolina in connection with an application for a certificate of public interest and the establishment of a service territory and rates.

Palmetto Utilities, Inc. hereby **acknowledges** that if the Public Service Commission of South Carolina approves the aforementioned application, Palmetto Utilities, Inc. will no longer be authorized to provide retail sewer service in the proposed service territory and shall be limited to providing to Palmetto of Richland County LLC such wholesale sewer service at such rates as the said Commission may approve.

Palmetto Utilities, Inc. **further acknowledges** that it does not have facilities in the proposed service territory capable of serving the customers now served by the City of Columbia and **consents** to service of such customers, including service by contract between Palmetto of Richland County LLC and any customers served by the City of Columbia on June 6, 2012, who will remain in the Palmetto Utilities, Inc. service territory.

Should the Public Service Commission of South Carolina grant the within application, Palmetto Utilities, Inc. will take such other and further action as the Commission deems necessary to document the right of Palmetto of Richland County LLC to be the lone public utility

providing sewer service in the proposed service territory and to provide contract service to certain customer within the Palmetto Utilities, Inc. service territory.

IN WITNESS WHEREOF, Palmetto Utilities, Inc. sets its hand and seal this 6th day of July, 2012.

PALMETTO UTILITIES, INC.

Witnesses:

Donna M. Little
Martha S. Little

R. Stanley Jones
By: R. Stanley Jones
Its: President

Exhibit "F"

Proposed Rate Schedule

PALMETTO OF RICHLAND COUNTY LLC
 ONE SMALLWOOD CIRCLE
 COLUMBIA, SC 29223
 (803) 699-2422

SEWER RATE SCHEDULE

1. MONTHLY CHARGES

a.	Base Fee	
i.	For 5/8", 1.0" and 1.5" water meters	\$10.20
ii.	For 2" water meter	\$16.32
iii.	For 3" water meter	\$32.64
iv.	For 4" water meter	\$51.00
v.	For 6" water meter	\$102.00
vi.	For 8" water meter	\$163.20
vii.	For 10" water meter	\$255.00
b.	Usage Fee	\$4.93
		per 100 cubic
		feet of water
		used as
		measured by
		the City of
		Columbia

The Utility may, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

- c. In addition to the monthly sewer service charge, a surcharge of \$8.00 per month applies to customer with residences served by small sewage pump stations. A small sewage pump station is defined as one which serves 50 or fewer residences. When the number of residences actually served by a pump station exceeds 50, the surcharge shall be removed from the billings for residences served by that

particular pump station. The surcharge shall apply only to sewage pump stations accepted for operation and maintenance on or after March 1, 1992.

2. NONRECURRING CHARGES

a. Sewer service connection charge

- | | | |
|------|-----------------------|--------------------|
| i. | Installed by customer | \$300.00 per tap |
| ii. | Installed by Utility | \$1,300.00 per tap |
| iii. | Taps Required: | |

- (1) Single-family residence: One tap.
- (2) Single-family mobile home: One tap.
- (3) Multifamily unit: One tap per dwelling unit.
- (4) Separate laundry facilities on the same premises restricted to use by residents of the multifamily units only: One tap for every two washing machines using not more than 40 gallons per wash cycle. Larger machines shall require one tap each.
- (5) Hotels and motels: One tap plus one-half tap per room.
- (6) Day school: One tap for each 20 students and staff (average daily attendance).
- (7) Institutions (except nursing homes and hospitals) having sleeping facilities (i.e., penitentiary, reformatory, boarding school, full-time care facility): One tap for each four beds.
- (8) Contaminated groundwater: One tap for each 400 gallons, or portion thereof, or estimated average input per day into the sewer system.
- (9) All others: The number of taps shall be computed by the Utility in accordance with either the equivalencies to a single family residence (400 gallons per day) established by South Carolina Department of Health and Environmental Control (DHEC) regulation 61-67, Appendix A (as amended from time to time), or in accordance with the following alternative equivalencies, whichever is applicable:

Amusement Centers – per person (without food service)	5 GPD
per seat (w/food service or restaurant)	40 GPD
Auditorium – per seat	5 GPD
Auto Dealerships, Sales Office – per employee	25 GPD
Service Area – per 1000 Sq. Ft.	200 GPD
Car Wash – Cars/Day	75 GPD
Auto Repair – per 1000 Sq. Ft.	200 GPD
Add if Floor Drain Connects	1 Tap
Barber Shop – per chair	100 GPD
Beauty Shop - per chair	125 GPD
Car Wash (self-service – cars/day est. by supplier)	75 GPD
Church – Kitchen Addition	1 Tap

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Deli – no cooking	70 GPD
Dentist – staff -patients	15 GPD 5 GPD
Dog Run (home type) Pad must be covered and above flood plain)	1 Tap
Fitness Center (per member)	50 GPD

To the extent there is a conflict between these alternative tap fee equivalencies and the equivalences established in DHEC regulation 61-67, Appendix A, these equivalencies shall apply.

b. Plant Expansion Fee

In addition to the sewer service connection charge, a plant expansion fee must be paid at the time application for service is made, or an extended payment plan agreement must be executed.

- i. Amount.* A sewer plant expansion fee shall be required to be paid prior to each sewer service connection to offset the cost of constructing increased capacity or capital expenditures to retain current system capacity in accordance with the capital improvements plan of the Utility. The costs of construction or expenditures to retain current system capacity shall include design and engineering costs, materials and labor to provide the intended plant capacity increase. The amount of the expansion fee for each connection shall be computed by multiplying the number of taps required for each application in accordance with section 2(a) times \$2,640.00.
- ii. Extended payment.* At the time of application for the sewer service connection, an applicant may elect to pay the entire fee in full or pay the fee, or any portion thereof, in forty-eight (48) equal monthly installments with interest thereon at the rate of seven and one-half (7.5%) percent per annum. The monthly payments for the plant expansion fee shall be added to and collected with the monthly sewer bill for the property to be served commencing with the first sewer bill, and shall be collectible in the same manner as any other sewer charges by the Utility. In the event of the sale of the property being served or to be served by the sewer connection, the unpaid portion of the fee subject to extended payment in accordance with this section shall be immediately due and payable unless Applicant's purchaser assumes the extended payment obligation at closing. Until purchaser(s) apply for transfer of sewer service and/or assume or pay in full the unpaid extended payment, no further sewer service shall be provided to such property.

3. **NOTIFICATION, ACCOUNT SET-UP AND RECONNECTION CHARGES**

- a. Notification Fee: A fee of \$25.00 shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R.103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating that cost.
- b. Customer Account Charge: A fee of \$30.00 shall be charged as a one-time fee to defray the costs of initiating service.
- c. Reconnection charges: In addition to any other charges that may be due, a reconnection fee of \$250.00 shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. Where an elder valve has been previously installed, a reconnection charge of thirty-five dollars (\$35.00) shall be due. The amount of the reconnection fee shall be in accordance with R.103-532.4 and shall be changed to conform with said rule as the rule is amended from time to time.

4. **BILLING CYCLE**

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. **LATE PAYMENT CHARGES**

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half (1½%) percent.

6. **TOXIC AND PRETREATMENT EFFLUENT GUIDELINES**

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR §§ 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR §§ 403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

7. **REQUIREMENTS AND CHARGES PERTAINING TO SATELLITE SYSTEMS**

- a. Where there is connected to the Utility's system a satellite system, as defined in DHEC Regulation 61-9.505.8 or other pertinent law, rule or regulation, the owner or operator of such satellite system shall operate and maintain same in accordance with all applicable laws, rules or regulations.
- b. The owner or operator of a satellite system shall construct, maintain, and operate such satellite system in a manner that the prohibited or untreated materials referred to in Section 6 of this rate schedule (including but not limited to Fats, Oils, Sand or Grease), stormwater, and groundwater are not introduced into the Utility's system.
- c. The owner or operator of a satellite system shall provide Utility with access to such satellite system and the property upon which it is situated in accordance with the requirements of Commission Regulation 103-537.
- d. The owner or operator of a satellite system shall not less than annually inspect such satellite system and make such repairs, replacements, modifications, cleanings, or other undertakings necessary to meet the requirements of this Section 7 of the rate schedule. Such inspection shall be documented by written reports and video recordings of television inspections of lines and a copy of the inspection report received by the owner or operator of a satellite system, including video of the inspection, shall be provided to Utility. Should the owner or operator fail to undertake such inspection, Utility shall have the right to arrange for such inspection and to recover the cost of same, without mark-up, from the owner or operator of the satellite system.
- e. Should Utility determine that the owner or operator of a satellite system has failed to comply with the requirements of this Section 7 of the rate schedule, with the exception of the requirement that a satellite system be cleaned, the Utility may initiate disconnection of the satellite system in accordance with the Commission's regulations, said disconnection to endure until such time as said requirements are met and all charges, costs and expenses to which Utility is entitled are paid. With respect to the cleaning of a satellite system, the owner or operator of a satellite system shall have the option of cleaning same within five (5) business days after receiving written notice from Utility that an inspection reveals that a cleaning is required. Should the owner or operator of such a satellite system fail to have the necessary cleaning performed within that time frame, Utility may arrange for cleaning by a qualified contractor and the cost of same, without mark-up, may be billed to the owner or operator of said system.

8. **CONSTRUCTION STANDARDS**

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed in constructing parts of the system.

9. **EXTENSION OF UTILITY SERVICE LINES AND MAINS**

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into its sewer system. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point on the Utility's sewer system may receive service, subject to paying the appropriate fees and charges set forth in this rate schedule, complying with the guidelines and standards hereof, and, where appropriate, agreeing to pay an acceptable amount for multi-tap capacity.

10. **CONTRACTS FOR MULTI-TAP CAPACITY**

The Utility shall have no obligation to modify or expand its plant, other facilities or mains to treat the sewerage of any person or entity requesting multi-taps (a commitment for five or more taps) unless such person or entity first agrees to pay an acceptable amount to the Utility to defray all or a portion of the Utility's costs to make modifications or expansions thereto.

11. **CONTRACTS FOR SERVICE OUTSIDE AUTHORIZED UTILITY TERRITORY**

Certain customers served by the City of Columbia as of June 6, 2012, who are located outside the territory authorized to Utility by the Public Service Commission, may be served by Utility under a contract which incorporates all terms and conditions of the within rate schedule. Such customers shall be deemed customers of Utility for all regulatory purposes, including the determination of just and reasonable rates and charges. Utility is not required to file any such contracts with the Commission.

Exhibit “G”

Letter of Credit Performance Bond



BANK OF AMERICA - CONFIDENTIAL

PAGE: 1

DATE: JUNE 25, 2012

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [REDACTED]

ISSUING BANK
BANK OF AMERICA, N.A.
ONE FLEET WAY
PA 6-580-02-30
SCRANTON, PA 18507-1999

BENEFICIARY
THE SC PUBLIC SERVICE COMMISSION
C/O OFFICE OF REGULATORY STAFF
ATTN: WILLIE J. MORGAN
1441 MAIN STREET, SUITE 300

APPLICANT
PALMETTO OF RICHARD COUNTY, LLC
10913 METRONOME DRIVE
HOUSTON TX 77043

COLUMBIA, SC 29201

AMOUNT
NOT EXCEEDING USD 350,000.00
NOT EXCEEDING THREE HUNDRED FIFTY THOUSAND AND 00/100'S US DOLLARS

EXPIRATION
JUNE 24, 2013 AT OUR COUNTERS

WE HEREBY OPEN OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER
68075510 IN YOUR FAVOR FOR THE ABOVE NAMED APPLICANT IN THE AMOUNT OF
USD 350,000.00.

THIS LETTER OF CREDIT IS AVAILABLE FOR PAYMENT AGAINST PRESENTATION
OF BENEFICIARY'S DRAFTS AT SIGHT DRAWN ON BANK OF AMERICA, SCRANTON,
PA BEARING THE CLAUSE "DRAWN UNDER BANK OF AMERICA LETTER OF CREDIT
NO. 68075510".

ADDITIONALLY, BENEFICIARY MUST PRESENT A STATEMENT SIGNED BY THE
EXECUTIVE DIRECTOR OF THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF
(OR DESIGNEE) ATTESTING THAT "BY THE ATTACHED ORDER, PALMETTO OF
RICHLAND COUNTY LLC HAS BEEN FOUND BY THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA TO BE A PUBLIC UTILITY THAT IS IN VIOLATION OF AN
ORDER FROM THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA TO PROVIDE
SERVICE AND THAT ALL OR PART OF THE AMOUNT OF BANK OF AMERICA LETTER
OF CREDIT NO. 68075510 HAS BEEN DECLARED FORFEITED BY THE PUBLIC
SERVICE COMMISSION OF SOUTH CAROLINA IN ACCORDANCE WITH S.C. CODE
SECTION 58-5-720".

WE HEREBY ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE
WITH THE TERMS OF THIS CREDIT WILL BE DULY HONORED ON PRESENTATION TO

ORIGINAL



BANK OF AMERICA - CONFIDENTIAL

PAGE: 2

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: 68075510

US ON OR BEFORE THE EXPIRATION DATE.

IN THE EVENT OF A DRAW UNDER THIS LETTER OF CREDIT, THE BENEFICIARY IS REQUIRED TO PRESENT THE ORIGINAL LETTER OF CREDIT, AND ANY AMENDMENTS WHICH MAY BE ISSUED IN THE FUTURE, WITH ANY/ALL OTHER DOCUMENTS REQUIRED BY THIS CREDIT.

UNLESS OTHERWISE SPECIFIED THIS CREDIT IS SUBJECT TO THIS INTERNATIONAL STANDBY PRACTICES, ISP98, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS TRANSACTION, PLEASE CALL 800-370-7519 OPT 1 .



AUTHORIZED SIGNATURE

THIS DOCUMENT CONSISTS OF 2 PAGE(S) .

ORIGINAL

Exhibit "H"

Customer Bill Form



KEEP THIS COPY FOR YOUR RECORDS

Palmetto of Richland County, LLC
1713 Suite A Woodcreek Farms Road
Elgin, South Carolina 29045
(803) 699-2422

Office Hours:
8:30 A.M. To 4:30 P.M.
Closed Saturday and Sunday

All rate schedules are approved by the
S.C. Public Service Commission and are
available for viewing at our office.
For emergencies call 803-699-2422
(24 hours a day)

Billing Date bill_date

ACCOUNT NUMBER	CURRENT CHARGES DUE DATE	PREVIOUS BALANCE
cdactnum	nextduedat	pastdue
SERVICE FROM	SERVICE TO	NEW CHARGES
billing_fr	billing_to	
Previous Reading		Previous Reading
Current Reading		Current Reading
Current Consumption		Current Consumption
Sewer		sewer
Late Penalty		late_fee
SERVICE ADDRESS		TOTAL AMOUNT DUE
serviceadd		balance

Remittance Stub

remittance
Customer Name: full
Account Number: cdactnum
Current Charges Due Date: nextduedat
Total Amount Due: balance

▲ RETURN ENVELOPE - DETACH HERE ▲

REMOISTENABLE GLUE